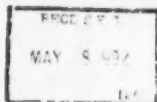


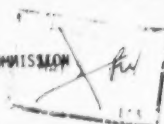
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 10-Q



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 1992

Commission file number 1-4976

592-22601

UNITED STATES LEASING INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

94-1360891
(I.R.S. Employer Identification No.)

733 Front Street, San Francisco, California
(Address of principal executive offices)

94111
(Zip Code)

(415) 627-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

As of May 7, 1992, the Registrant had outstanding 10 shares of Common Stock, all of which were owned by Ford Holdings, Inc.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) AND (b), AND IS THEREFORE FILING THIS FORM 10-Q WITH REDUCED DISCLOSURE FORMAT.

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AVAILABLE**

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UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

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UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(In thousands)	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Cash and equivalents	\$ 4,559	\$ 19,253
Investment in finance leases - net	1,535,308	1,462,466
Notes receivable	448,843	415,986
Investment in operating leases - net	459,098	492,114
Investment in securities	228,093	236,101
Inventory held for sale or lease	84,817	100,341
Other receivables	17,908	18,469
Investment in associated companies	20,017	20,220
Office facilities at cost less accumulated depreciation	9,476	9,911
Goodwill	199,465	200,926
Other assets	<u>19,634</u>	<u>16,917</u>
Total assets	<u>\$3,027,218</u>	<u>\$2,992,704</u>
LIABILITIES		
Short-term notes payable	\$ 887,722	\$ 790,137
Accounts payable	34,103	88,924
Accrued liabilities and lease deposits	95,555	82,150
Payable to parent and affiliates	46,257	16,993
Deferred taxes on income	155,693	150,646
Long-term debt	<u>1,239,122</u>	<u>1,305,004</u>
Total liabilities	<u>2,458,452</u>	<u>2,433,854</u>
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDER'S EQUITY		
Common stock	476,425	476,425
Additional capital	92,341	82,425
Retained earnings	<u>568,766</u>	<u>558,850</u>
Total shareholder's equity	<u>1,137,532</u>	<u>1,117,700</u>
Total liabilities and shareholder's equity	<u>\$3,027,218</u>	<u>\$2,992,704</u>

*Less than one thousand dollars

See NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited; in thousands)	Three Months Ended	
	1992	March 31, 1991
REVENUES	\$125,213	\$115,927
EXPENSES		
Sales, Administrative and general	17,970	16,759
Interest	40,061	32,556
Depreciation -- operating leases	44,299	43,299
Other	<u>7,950</u>	<u>4,878</u>
Total expenses	<u>110,280</u>	<u>97,492</u>
Income before taxes on income	14,933	18,435
Taxes on income	<u>5,017</u>	<u>7,169</u>
NET INCOME	<u>\$ 9,916</u>	<u>\$ 11,266</u>

See NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; in thousands)	Three Months Ended March 31,	
	1992	1991
Net cash flow from operating activities	\$ 58,142	\$ 45,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Recovery of equipment costs and residual interests	111,513	121,128
Proceeds from sale of finance receivables	19,463	-
Cost of equipment acquired for lease	(201,793)	(241,341)
Notes receivable investments	(50,998)	(27,079)
Payments on notes receivable investments	17,458	7,742
Purchase of investment securities	(26,029)	(4,105)
Sale of investment securities	33,457	-
Increase in deferred initial direct costs	(3,263)	(3,026)
Other	(4,347)	(2,035)
Net cash used by investing activities	(104,539)	(148,716)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,794	273,752
Long-term debt repaid	(67,638)	(97,248)
Net increase/(decrease) in short-term borrowings	97,547	(94,938)
Net cash provided by financing activities	31,703	81,566
(Decrease) in cash and equivalents	(14,694)	(21,847)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	19,253	25,744
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 4,559	\$ 3,897
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Interest paid	\$ 19,483	\$ 24,843
Income taxes paid	30	155
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
None		

See NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. The results of operations for such interim periods are not necessarily indicative of results of operations for a full year. The December 31, 1991 consolidated balance sheet included herein is derived from the audited financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 1991, but does not include all disclosures required by generally accepted accounting principles. The statements should be read in conjunction with the significant accounting policies and notes to consolidated financial statements also included in the Form 10-K for the year ended December 31, 1991.

The Company is a wholly-owned subsidiary of Ford Holdings, Inc., the common stock of which is owned by Ford Motor Company ("Ford") and Ford Motor Credit Company, a wholly-owned subsidiary of Ford.

2. ACCOUNTING FOR INCOME TAXES

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting For Income Taxes" in February 1992, requiring adoption by 1993. SFAS No. 109 supersedes and reduces the complexity of SFAS No. 96, which was adopted by the Company in 1987. The Company adopted the new standard, which had no effect on net income or deferred taxes, in the first quarter of 1992.

UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pursuant to General Instructions H(2)(a), the following narrative analysis is presented in lieu of Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

Revenues, Expenses and Operating Profit

(In thousands)	Three Months Ended March 31,		Increase (Decrease)	
	1992	1991	Amount	%
Revenues	\$125,213	\$115,927	\$9,286	8%
Expenses				
Sales, admin. & general	17,970	16,759	1,211	7
Interest	40,061	32,556	7,505	23
Depreciation	44,299	43,299	1,000	2
Other expenses	7,950	4,878	3,072	63
Total expenses	110,280	97,492	12,788	13
Operating Profit*	\$14,933	\$18,435	\$(3,502)	(19)%

*Operating profit is income before taxes on income.

Revenues

Consolidated revenues increased \$9.3 million or 8% during the first quarter of 1992 primarily as a result of a 60% increase in average earning assets in the Equipment Financing, Transportation and Facilities Financing, Real Estate Financing, and Municipal and Corporate Financing businesses. These increases were offset in part by a 34% decline in average earning assets in the Fleet Leasing business as a result of the securitization and sale of \$212 million in principal amount of receivables at the end of 1991. A change in the mix from operating leases to finance leases also contributed to a revenue decline in the Fleet Leasing business (see Depreciation Expense below).

Expenses

Total expenses for the first quarter of 1992 increased \$12.8 million or 13%, and are discussed below.

Sales, administrative and general expenses increased \$1.2 million or 7% in the first three months of 1992 compared with the 1991 three-month period. The increase is a result of the Company's asset growth, offset in part by recent cost reduction actions.

Interest expense increased \$7.5 million or 23% for the three-month period, reflecting an increase in average borrowings from \$1.59 billion in 1991 to \$2.11 billion in 1992. This increase was offset in part by an overall decline in borrowing rates, which averaged 7.6% in the first three months of 1992 compared to 8.2% in 1991. The 1992 rate of 7.6% included the effect of substantially extending borrowing maturities compared with the same period last year.

Depreciation expense on equipment increased \$1.0 million or 2% in the 1992 three-month period. Expense was up \$10.3 million in the Equipment Financing business due to large acquisitions of operating lease equipment beginning in the third quarter of 1991. This increase was offset in part by a decline of \$9.9 million in Fleet Leasing's expense because of the change in its lease mix discussed above.

Other expenses increased \$3.1 million or 63% in the 1992 first quarter due to an increase of \$1.6 million in the provision for losses associated with asset growth, and the reversal in the 1991 first quarter of a \$1.8 million loss allowance established in 1990.

Income before taxes on income

Based upon the discussion above, operating profit for the first quarter declined \$3.5 million or 19% compared with 1991 results.

Taxes on income

Income tax expense was 33.6% of income before taxes in the 1992 three-month period compared with 38.9% in the same 1991 period. The decrease in the overall tax rate in 1992 is primarily due to an increase in income exempt from Federal taxes.

GENERAL

Identifiable assets by segment

The table below summarizes identifiable assets for each of the Company's business segments for the dates indicated:

(In thousands)	March 31,	December 31,
	1992	1991
Equipment Financing	\$1,314,682	\$1,325,683
Transportation & Facilities Financing	454,835	430,320
Fleet Leasing	350,224	337,060
Municipal & Corporate Financing	238,971	245,272
Real Estate Financing	277,377	238,501
Rail Services	156,110	158,414
General corporate (including goodwill) and other	235,619	257,454
Total	<u>\$3,027,218</u>	<u>\$2,992,704</u>

Credit loss experience

The management of credit exposure is an important element of the Company's business. The Company reviews the credit of all prospective customers, and manages concentration exposures by customer, collateral type, and geographic distribution. It establishes appropriate loss allowances based on the credit characteristics and the loss experience for each type of business, and also establishes additional reserves for specific transactions if it believes this action is warranted. Delinquent receivables are reviewed by management monthly, and are generally written down to expected realizable value when, in the opinion of management, they become uncollectible or when they become more than 180 days past due. Collection activities continue on accounts written off when management believes such action is warranted.

The table below shows certain information on the Company's allowance for doubtful accounts related to earning assets for the periods indicated:

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>
	<u>March 31,</u>		<u>December 31,</u>
	<u>1992</u>	<u>1991</u>	<u>1991</u>
Allowance for doubtful accounts (millions)			
Beginning balance	\$ 29.8	\$ 25.2	\$ 25.2
Additions	4.5	2.9	10.7
Deductions	(1.7)	(1.3)	(6.1)
Ending balance	<u>\$ 32.6</u>	<u>\$ 26.8</u>	<u>\$ 29.8</u>
Percent of earning assets	1.2%	1.3%	1.1%
Total balances of accounts receivable over 90 days past due at period end (millions)	\$ 48.1	\$ 19.1	\$ 22.6
Percent of earnings asset	1.7%	0.9%	0.8%
Total earning assets (millions)			
Investment in finance leases - net	\$1,535.3	\$1,180.8	\$1,462.5
Investment in operating leases - net	459.1	513.7	492.1
Notes receivable	448.9	203.8	416.0
Investment in securities	228.1	87.0	236.1
Inventory held for sale or lease	84.8	76.5	100.3
Investment in associated companies	<u>20.0</u>	<u>20.5</u>	<u>20.2</u>
Total	<u>\$2,776.2</u>	<u>\$2,082.3</u>	<u>\$2,727.2</u>

Since December 31, 1991, accounts receivable over 90 days past due increased \$25.5 million, primarily because of a delinquent note due from Oak Park, an apartment complex in Brockton, Massachusetts (in bankruptcy proceedings) in the amount of \$11.2 million, and a non-recourse note from Integrated Resources, in the amount of \$8.0 million. The Oak Park note is collateralized by the apartment complex, and the Integrated Resources note is collateralized by a DC-9-51 aircraft on lease to Hawaiian Airlines, which has continued to make partial lease payments. Management believes that the losses, if any, which may be incurred with respect to these loans, is adequately covered by the allowance for doubtful accounts at March 31, 1992.

PART II - OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

12. Computation of ratio of earnings to fixed charges.

(b) Reports on Form 8-K.

There were no Form 8-K reports required to be filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED STATES LEASING INTERNATIONAL, INC.

May 7, 1992

Date

By: Frank H. Mason III

Frank H. Mason III
Executive Vice President
and Chief Financial Officer

May 7, 1992

Date

By: Robert A. Keyes, Jr.

Robert A. Keyes, Jr.
Vice President and Corporate Controller

UNITED STATES LEASING INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited; dollars in thousands)	Three Months Ended	
	March 31, 1992	1991
Earnings:		
Income before taxes on income per statement of income.....	\$14,933	\$18,435
Add	41,125	33,729
Fixed charges.....		
Distribution and proceeds in excess of (less than) net income of associated companies.....	<u>203</u>	<u>(24)</u>
Income as adjusted.....	<u>\$56,261</u>	<u>\$52,140</u>
Fixed charges:		
Interest on indebtedness including amortization of debt issue costs and discount or premium thereon.....	\$40,061	\$32,556
Interest factor of annual rentals (1).....	<u>1.064</u>	<u>1.173</u>
Fixed charges.....	<u>\$41,125</u>	<u>\$33,729</u>
Ratio of earnings to fixed charges.....	<u>1.4</u>	<u>1.5</u>

- (1) The interest portion of annual rentals is estimated to be one-third of such rentals.